

An S corporation with two shareholders, each owning 50% of the stock, has elected to pay the Pass-through Entity Elective Tax (PTE-E). The Schedule K on the Form 1120S has the following entries:

Schedule K		Shareholders' Pro Rata Share Items	Total amount	
Income (Loss)	1	Ordinary business income (loss) (page 1, line 21)	1	765,789
	2	Net rental real estate income (loss) (attach Form 8825)	2	(455,862)
	3a	Other gross rental income (loss)	3a	
	b	Expenses from other rental activities (attach statement)	3b	
	c	Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4	Interest income	4	7,235
	5	Dividends: a Ordinary dividends	5a	
		b Qualified dividends	5b	
	6	Royalties	6	
	7	Net short-term capital gain (loss) (attach Schedule D (Form 1120-S))	7	
	8a	Net long-term capital gain (loss) (attach Schedule D (Form 1120-S))	8a	
	b	Collectibles (28%) gain (loss)	8b	
	c	Unrecaptured section 1250 gain (attach statement)	8c	
	9	Net section 1231 gain (loss) (attach Form 4797)	9	
	10	Other income (loss) (see instructions) Type ▶	10	6,589

All income is Oregon source income. The company made timely estimated tax payments in the amount of \$30,000.

Complete OR-21, OR-21-MD and OR-21-K-1 worksheets are attached.